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BROKER PROFITS COMPLICATE IRAN-CONTRA TRAIL

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Brokers and middlemen apparently amassed substantial profits from the Iranian arms sales, complicating congressional investigations into how much money ultimately went to support Nicaraguan Contra rebels, according to U.S. government sources.

The money trail became more complicated following closed-door testimony by CIA Director William J. Casey before the House Foreign Affairs Committee on Wednesday and the House Intelligence Committee on Thursday.

Foreign affairs committee members, insisting on anonymity, said Casey surprised the panel with his disclosure that Canadian middlemen were furious last October because they had expected to get as much as \$20 million for their role in the arms deal and were still owed \$10 million.

Casey said he received a call about the Canadian complaint in October from a former legal client, Roy M. Furmark, who also told him that some of the Iranian profits might have been diverted to Central America, members quoted Casey as saying.

Casey, however, insisted that the CIA had been "meticulous" in its bookkeeping on the original cost of the U.S. weapons - \$12.2 million - with repayment totaling that amount being received into a secret CIA bank account in Geneva, the members said.

What remains unclear is how the Canadians, who were reportedly not the middlemen for all four direct U.S. weapons shipments, would have expected as much as \$20 million back for their role in the transactions.

Government sources said the complex arms deal involved brokers who arranged the deals as well as investors, like the Canadians, who put up money so the U.S. government would be reimbursed almost immediately for the cost of the weapons.

In exchange for covering the cost of the weapons up front, the investors expected a large profit for their risk, the sources said. A handsome profit could also be made by those involved in transporting the weapons to Iran, the sources said.

"There's money to be made every time you turn around," said one investigator, who added that the layers of arms merchants and brokers have made it difficult to estimate a total cost of the shipments to Iran.

Retired Air Force Maj. Gen. Richard V. Secord, president of Stanford Technology Trading Co. and a principal in other firms that have been tied to the arms deal, has been identified as a key middleman in the deals. Justice Department and Swiss officials have said Secord is under criminal investigation in connection with two Swiss bank accounts that may have been used in diverting those profits to aid the Contras.

Government sources have said Secord assisted then-National Security Council aide, Lt. Col. Oliver L. North, in setting up the Iranian arms deals as well as diverting those profits into a resupply operation for Contra rebels fighting Nicaragua's leftist government.

After President Reagan fired North on Nov. 25, Attorney General Edwin Meese III estimated that \$10 million to \$30 million from the arms sales had been diverted to the Contras through Swiss accounts. But two weeks later, congressional investigators say they still don't know how much actually went to the Contras.

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One member of Congress quoted Casey as saying two firms that deposited money into the CIA account handling the \$12.2 million for the arms sales were Lake Resources Inc. and Hyde Park Square Corp., but he added that Casey did not identify who was behind those firms.

Congressional sources said Furmark, who Casey says tipped him off to the possible diversion of funds to the Contras, is a business associate of Saudi billionaire Adnan Khashoggi, who is also believed connected to the Iranian arms deal.

One committee member said Furmark complained that "my Canadian investors are getting burned." The member said the Iranians had brought in the Canadians to provide upfront money for the arms deal with the promise of a large, quick profit.

In his House testimony Wednesday, Casey said the Canadians were threatening a lawsuit that would have exposed the arms deal because they had received only \$10 million back when they were expecting up to \$20 million, the sources quoted Casey as saying.

Earlier, Sen. David Durenberger, R-Minn., chairman of the Senate Intelligence Committee, acknowledged that "there were a lot of brokers" involved in the Iranian arms deals "and obviously they were compensated." In a related development, The New York Times reported in Thursday's editions that an Iranian arms merchant, Manucher Ghorbanifar, approached a former senior U.S. intelligence official, Theodore G. Shackley, with a proposal to trade hostages for money in late 1984.

The Times said the information suggests Ghorbanifar's main motive was money when he drew the United States into the secret talks.